

Place your name on the back of this sheet of paper and nowhere else. Staple your answers on the front of this sheet of paper. Failure to follow these directions will cost you 1 point. Your assignment will be typed, except graphs can be drawn by hand and mathematical equations can be done by hand. Failure to type it will cost you 10 points. If you use double-sided printing or print on the back of scrap paper, I will give you one additional point.

1) (5 points) Which part of my web page, <http://mysite.bethanywv.edu/wcsaplar/> do you think will be most helpful? Why? Is anything missing that you would like to see? What is the URL for the first exam from this class during the last semester it was taught?

2) (5 points) Which part of the Department of Economics and Business's web page, <http://www2.bethanywv.edu/econ/> do you think will be most helpful? Why? Is anything missing that you would like to see? If you were a sophomore Business major, then what courses does the departmental web page suggest you be taking this semester?

3) (10 points each) For each of these events, determine if, for the USA, it is part of GNI (GNP), GDP, both GNI (GNP) and GDP, or neither. Explain your logic.

- A) You buy a Honda built in Ohio.
- B) I hire you to mow my lawn.
- C) An American buys some opium made in Afghanistan.
- D) You buy shares of Apple stock.
- E) You sew your own clothing.

4) (10 points) Suppose a country has a life expectancy at birth of 70, a mean years of schooling of 10 years, expected years of schooling is 15 years, and a GNI per capita of \$10,000. What is their HDI? Show all work.

5) (20 points) The stages of development are usually determined by using real GNI per capita measured by PPP. What are some weaknesses of this method? Explain at least two.

6) (10 points) Why do we use real GNI per capita rather than real GDP per capita to compare incomes from different countries?